

## Message Text

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ORIGIN EB-07

INFO OCT-01 EUR-12 EA-07 ISO-00 L-03 JUSE-00 CIAE-00  
INR-07 NSAE-00 NEA-10 FEA-01 ERDA-05 AID-05  
CEA-01 COME-00 EPG-02 DODE-00 FPC-01 H-01 INT-05  
NSC-05 OMB-01 PM-05 USIA-06 OES-07 SP-02 SS-15  
STR-04 TRSE-00 ACDA-07 /120 R

DRAFTED BY EB/IFD/BP:TASCHLENKER:VJW  
APPROVED BY EB:PHBOEKER  
EUR/NE - DGOODMAN  
NEA/ARP - JTWINAN (INFO)  
EUR/WE - EBEIGEL  
EUR/RPE - RLAMANTIA  
NEA/RA - RPRICKETT (INFO)  
L/EB - PTRIMBLE  
EB/ORF/FSE - RMARTIN  
JUSTICE - DKAPLAN

-----047502 230426Z /20

P R 222300Z JUL 77  
FM SECSTATE WASHDC  
TO AMEMBASSY LONDON PRIORITY  
AMEMBASSY PARIS PRIORITY  
AMEMBASSY THE HAGUE PRIORITY  
INFO AMEMBASSY ANKARA  
AMEMBASSY ATHENS  
USMISSION USBERLIN  
AMEMBASSY BERN  
AMEMBASSY BONN  
AMEMBASSY BRUSSELS  
AMEMBASSY CANBERRA  
AMEMBASSY COPENHAGEN  
AMEMBASSY DUBLIN  
AMEMBASSY HELSINKI  
AMEMBASSY LISBON  
AMEMBASSY LUXEMBOURG  
AMEMBASSY MADRID  
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AMEMBASSY OSLO  
AMEMBASSY OTTAWA  
AMEMBASSY ROME  
AMEMBASSY STOCKHOLM  
AMEMBASSY TOKYO  
AMEMBASSY VIENNA

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USOECD, USEEC

E.O. 11652: GDS

TAGS: ETRD

SUBJECT: ANTITRUST: JUSTICE INVESTIGATION OF INTERNATIONAL OIL INDUSTRY

1. DEPARTMENT OF JUSTICE (DOJ) HAS INFORMED DEPARTMENT THAT QUOTE: THE ATTORNEY GENERAL HAS AUTHORIZED THE ISSUANCE OF CIVIL INVESTIGATIVE DEMANDS (CID) SEEKING DOCUMENTS AND ORAL TESTIMONY, IN FURTHERANCE OF THE ANTITRUST DIVISION'S INVESTIGATION OF POSSIBLE ANTICOMPETITIVE CONDUCT BY MAJOR INTERNATIONAL OIL COMPANIES IN THE PRODUCTION AND MARKETING OF CRUDE OIL EMANATING FROM THE PERSIAN GULF. THE INVESTIGATION IS OF POSSIBLE VIOLATIONS OF SECTIONS ONE AND TWO OF THE SHERMAN ACT.

2. QUOTE: AMONG THE CIVIL INVESTIGATIVE DEMANDS TO BE ISSUED ARE THOSE TO THE FOLLOWING: (A) BRITISH PETROLEUM CO., LTD., A UNITED KINGDOM CORPORATION; (B) COMPAGNIE FRANCISE DES PETROLES, A FRENCH CORPORATION; (C) ROYAL LIMITED OFFICIAL USE

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DUTCH PETROLEUM COMPANY, A NETHERLANDS CORPORATION; AND (D) "SHELL" TRANSPORT AND TRADING COMPANY, A UNITED KINGDOM CORPORATION.

3. QUOTE: IN ADDITION, THE FOLLOWING UNITED STATES COMPANIES ARE LIKELY TO RECEIVE CIVIL INVESTIGATIVE DEMANDS:

EXXON CORPORATION, GULF OIL CORP., MOBIL OIL CORP., STANDARD OIL CO. OF CALIFORNIA, AND TEXACO, INC. THESE COMPANIES CONTROL FOREIGN SUBSIDIARIES IN VARIOUS COUNTRIES. OUR CIVIL INVESTIGATIVE DEMANDS MAY WELL COMPREHEND DOCUMENTS IN THE POSSESSION OF THOSE FOREIGN SUBSIDIARIES.

4. QUOTE: A CIVIL INVESTIGATIVE DEMAND WILL ALSO LIKELY BE SERVED UPON ARABIAN AMERICAW OIL COMPANY, ALTHOUGH THAT COMPANY IS NOT, AT PRESENT, A POTENTIAL TARGET OF THE INVESTIGATION.

5. QUOTE: THESE CIVIL INVESTIGATIVE DEMANDS WILL BE FORWARDED TO THE ABOVE LISTED FIRMS EIGHT DAYS (JULY 28) FOLLOWING THE DATE YOU RECEIVE THIS NOTIFICATION. UNQUOTE

6. DOJ EMPHASIZES THAT THIS IS A CIVIL INVESTIGATION AND IS AT PRESENT IN A VERY PRELIMINARY STAGE. A CID HAS THE POWER OF A SUBPOENA BUT IS INTENDED FOR USE IN CIVIL, RATHER THAN CRIMINAL PROCEEDINGS. UNDER CURRENT U.S. LEGISLATION, IT MAY BE SENT TO FOREIGN FIRMS AS WELL AS U.S. COMPANIES, PROVIDED FOREIGN FIRMS HAVE BUSINESS CONTACTS WITH THE U.S. CRIMINAL PENALTY IS PROVIDED FOR NONCOMPLIANCE. CIDS WILL BE SENT VIA REGISTERED INTERNATIONAL MAIL, RETURN RECEIPT REQUESTED, TO THE HOME OFFICES OF THE MENTIONED FOREIGN COMPANIES AND TO AT LEAST ONE SUBSIDIARY LOCATED IN THE U.S. OF EACH OF THE FOREIGN FIRMS.

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7. FOCUS OF THE INVESTIGATION IS ON AGREEMENTS, COMMUNICATIONS AND DISCUSSIONS AMONG OIL COMPANY COMPETITORS DEALING WITH PERSIAN GULF OIL THAT MAY VIOLATE U.S. ANTI-TRUST LAWS. DOJ FURTHER INFORMS DEPARTMENT THAT THIS INVESTIGATION WILL NOT REPEAT NOT SEEK TO COVER 1973 EMBARGO AND NO REPEAT NO COMPLAINT AGAINST ANY OF THE AFOREMENTIONED COMPANIES HAS BEEN FILED. JUSTICE INVESTIGATION IS SEPARATE FROM FEDERAL TRADE COMMISSION (FTC) COMPLAINT ISSUED IN 1973, AND STILL IN DOCUMENT DISCOVERY STAGE, AGAINST EIGHT OF THE LARGEST U.S. OIL COMPANIES FOR ALLEGED "NONCOMPETITIVE MARKET STRUCTURE IN THE REFINING OF CRUDE OIL INTO PETROLEUM PRODUCTS."

8. FOR LONDON, PARIS, THE HAGUE: MISSIONS ARE REQUESTED TO INFORM HOST GOVERNMENTS OF THE IMPENDING DOJ INVESTIGATION IN ACCORDANCE WITH 1967 OECD RECOMMENDATION ON NOTIFICATION AND REPORT ANY REACTIONS.

9. FOR INFORMATION ADDRESSEES: BECAUSE OF THE EXTENT OF FOREIGN SUBSIDIARIES OF THE U.S. INTERNATIONAL PETROLEUM

COMPANIES LISTED IN PARA 3, INFORMATION ADDRESSEES SHOULD, AT THEIR DISCRETION, INFORM HOST GOVERNMENTS OF THE IMPENDING DOJ INVESTIGATION UNDER 1967 OECD NOTIFICATION PROCEDURE AND REPORT ANY REACTIONS. VANCE

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NNN



## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
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**Disposition Approved on Date:**  
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**Disposition Date:** 22 May 2009  
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**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
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**Review Release Event:** n/a  
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**Review Markings:**  
Margaret P. Grafeld  
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22 May 2009  
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